

AMENDED IN SENATE MAY 10, 2011  
AMENDED IN SENATE APRIL 26, 2011  
AMENDED IN SENATE APRIL 4, 2011  
AMENDED IN SENATE MARCH 22, 2011

## SENATE BILL

**No. 911**

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### **Introduced by Senator De León**

(Coauthors: Assembly Members Blumenfield and Portantino)

February 18, 2011

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An act to amend ~~Section 15280 of the Education Code, and to amend~~ Section 53411 of, *and to add Section 53411.5 to*, the Government Code, relating to local agency finance.

#### LEGISLATIVE COUNSEL'S DIGEST

SB 911, as amended, De León. Local agency bonds: reports.

~~(1) Existing~~

*Existing* law requires the chief fiscal officer of a local agency issuing bonds to file an annual report with the governing body of the local agency with respect to the amount of funds collected and expended generally, and the status of any project required or authorized to be funded from the proceeds of the bonds.

This bill would ~~additionally require the report to include a bond fund transparency component, to include specified information for each expenditure of bond proceeds in excess of \$5,000. This bill would require this information to also be posted on the agency's Internet Web site, after January 1, 2012, require the chief fiscal officer of a local agency issuing bonds to file the report with its governing body no later than 60 days after the close of the agency's fiscal year.~~ This bill would

provide that failure to submit the report on time shall result in a suspension of bond proceeds until the report is submitted.

~~(2) Existing law requires that if a bond measure that provides financing for certain types of school facilities is approved by voters, then the governing board of a school district or community college shall establish a citizens oversight committee. Existing law requires the citizen oversight committee to issue a report on its activities at least once a year.~~

~~This bill would provide that if the citizens oversight committee fails to issue a report at least once a year, no bond proceeds may be expended until a report is issued.~~

~~This bill would require an issuing local agency, upon request for information about any expenditure of bond proceeds in excess of \$5,000, or expenditures that in the aggregate exceed that amount, to make specified information available with respect to that expenditure or those expenditures.~~

Vote: majority. Appropriation: no. Fiscal committee: no.  
State-mandated local program: no.

*The people of the State of California do enact as follows:*

1 SECTION 1. It is the intent of the Legislature in enacting this  
2 measure to provide greater transparency and accountability in the  
3 bond financing process, so the public can readily review how the  
4 proceeds of taxpayer-authorized bonds are spent.

5 ~~SEC. 2.—Section 15280 of the Education Code is amended to~~  
6 ~~read:~~

7 ~~15280. (a) The governing board of the district shall, without~~  
8 ~~expending bond funds, provide the citizens' oversight committee~~  
9 ~~with any necessary technical assistance and shall provide~~  
10 ~~administrative assistance in furtherance of its purpose and sufficient~~  
11 ~~resources to publicize the conclusions of the citizens' oversight~~  
12 ~~committee.~~

13 ~~(b) All committee proceedings shall be open to the public and~~  
14 ~~notice to the public shall be provided in the same manner as the~~  
15 ~~proceedings of the governing board. The citizens' oversight~~  
16 ~~committee shall issue regular reports on the results of its activities.~~  
17 ~~A report shall be issued at least once a year. Minutes of the~~  
18 ~~proceedings of the citizens' oversight committee and all documents~~  
19 ~~received and reports issued shall be a matter of public record and~~

1 ~~be made available on an Internet Web site maintained by the~~  
2 ~~governing board.~~

3 ~~(e) If the citizens oversight committee fails to issue a report at~~  
4 ~~least once a year pursuant to subdivision (b), no bond proceeds~~  
5 ~~may be expended until a report is issued.~~

6 ~~SEC. 3.~~

7 *SEC. 2.* Section 53411 of the Government Code is amended  
8 to read:

9 53411. The chief fiscal officer of the issuing local agency shall  
10 file a report with its governing body no later than January 1, 2002,  
11 and at least once a year thereafter. *After January 1, 2012, the chief*  
12 *fiscal officer of the issuing local agency shall file the report with*  
13 *its governing body no later than 60 days after the close of the*  
14 *agency's fiscal year.* Failure to file the report by the annual  
15 deadline shall result in a suspension in the expenditure of bond  
16 proceeds until the report is submitted. The annual report shall  
17 contain ~~all~~ *both* of the following:

18 (a) The amount of funds collected and expended.

19 (b) The status of any project required or authorized to be funded  
20 as identified in subdivision (a) of Section 53410.

21 ~~(c) (1) A bond fund transparency component, including all of~~  
22 ~~the following information for each expenditure of bond proceeds~~  
23 ~~in excess of five thousand dollars (\$5,000):~~

24 ~~(A) The name and principal location of each recipient of funds.~~

25 ~~(B) The amount of the expenditure.~~

26 ~~(C) The type of transaction.~~

27 ~~(D) The identity of the local agency or authorized entity making~~  
28 ~~the expenditure.~~

29 ~~(E) The funding source for the expenditure.~~

30 ~~(F) A brief description of any item or service purchased pursuant~~  
31 ~~to the expenditure.~~

32 ~~(2) This information shall also be posted on the agency's Internet~~  
33 ~~Web site in a format accessible to the public.~~

34 ~~(3) This subdivision shall not be construed to require the~~  
35 ~~disclosure of information deemed confidential or otherwise exempt~~  
36 ~~from disclosure under state or federal law.~~

37 *SEC. 3.* Section 53411.5 is added to the Government Code, to  
38 read:

39 53411.5. (a) An issuing local agency, upon request for  
40 information about any expenditure of bond proceeds in excess of

1 *five thousand dollars (\$5,000), or expenditures that in the*  
2 *aggregate exceed that amount, shall make all of the following*  
3 *information promptly available for each expenditure of bond*  
4 *proceeds in excess of five thousand dollars (\$5,000) that is subject*  
5 *to the request:*  
6 *(1) The name and principal location of each recipient of funds.*  
7 *(2) The amount of the expenditure.*  
8 *(3) The type of transaction.*  
9 *(4) The identity of the local agency or authorized entity making*  
10 *the expenditure.*  
11 *(5) The funding source for the expenditure.*  
12 *(6) A brief description of any item or service purchased pursuant*  
13 *to the expenditure.*  
14 *(b) This section shall not be construed to require the disclosure*  
15 *of information deemed confidential or otherwise exempt from*  
16 *disclosure under state or federal law.*